

(1) Italian Elections

Held June 7.

Increased Communist strength 48 - 51 + 52 elections.

Increase in strength of Right.

Moderate party losses due to ^(a) low standard of living, -

^(b) approximately 2 million unemployed - ^(c) emigration restrictions,

^(d) dissatisfaction over Trieste, ^(e) Soviet peace propaganda, etc.

Extremes also hostile to NATO. Central parties suffer from heterogeneous character.

New Electoral law gives 65 per cent of delegates if over 50 per cent of vote achieved.

De Gasperi aided by President's speech.

Fascist vote for first time, ~~mentioned~~ st our program 5.4

Likelihood of last minute Communist offers on Trieste, accentuation of peace campaign, etc.